

MARK E. FELGER (MF9985)
JERROLD N. POSLUSNY, JR. (JP7140)
COZEN O'CONNOR
LibertyView, Suite 300
457 Haddonfield Road
Cherry Hill, NJ 08002
(856) 910-5000
(856) 910-5075 (fax)
Attorneys for the Debtors

In re:	:	UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF NEW JERSEY
SHAPES/ARCH HOLDINGS L.L.C., <u>et</u>	:	CHAPTER 11
<u>al.</u> ,	:	
Debtors.	:	CASE NO. 08-14631(GMB)
	:	

SECOND INTERIM MONTHLY FEE STATEMENT OF PHOENIX MANAGEMENT SERVICES, INC., RESTRUCTURING ADVISOR TO THE DEBTORS AND DEBTORS-IN-POSSESSION, FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD FROM MARCH 31, 2008 THROUGH APRIL 27, 2008 AND REQUEST FOR APPROVAL OF EVERGREEN RETAINER

TO: HONORABLE GLORIA M. BURNS
UNITED STATES BANKRUPTCY JUDGE

This Second Interim Monthly Fee Statement for Compensation and Reimbursement of Expenses (the "Second Interim Fee Statement") is filed by Phoenix Management Services, Inc. ("Phoenix"), restructuring advisor to Shapes/Arch Holdings L.L.C. and its related debtor entities, the debtors and debtors-in-possession (collectively the "Debtors")¹, requesting compensation and reimbursement of expenses for services provided by Phoenix as restructuring advisor to the Debtors for the period from March 31, 2008 through April 27, 2008 (the "Second Interim Period").

¹ In addition to Shapes/Arch Holdings L.L.C. ("Shapes/Arch"), the following entities, all of which are wholly owned subsidiaries or Shapes/Arch, also filed petitions on the Petition Date (defined below): Shapes L.L.C. ("Shapes"); Delair L.L.C. ("Delair"); Accu-Weld L.L.C. ("Accu-Weld"); and Ultra L.L.C. ("Ultra").

Background

1. On March 16, 2008 (the“Petition Date”), the Debtors filed their petitions for relief under Chapter 11, Title 11 of the United States Code (the“Bankruptcy Code”).

2. The Debtors are operating their businesses and managing their properties as debtors-in-possession pursuant to 11 U.S.C. §§ 1107(a) and 1108.

3. No trustee or examiner has been appointed in these cases.

4. An official committee of unsecured creditors (the“Committee”) was appointed on March 31, 2008 and has been actively involved in these cases since that time.

5. By Order dated April 9, 2008, Phoenix was retained to represent the Debtors as its restructuring advisor in this bankruptcy proceeding, effective as of March 16, 2008.

6. On March 18, 2008, the Administrative Order Pursuant To 11 U.S.C. §§ 105(a) and 331 Establishing Procedures For Interim Compensation and Reimbursement of Expenses of Professionals (the“Compensation Procedures Order”) was entered by the Court. Phoenix submits this Second Interim Fee Statement for compensation and reimbursement of actual, necessary costs and expenses for its service to the Debtors.

7. Phoenix’s previously submitted Monthly Fee Statement, is as follows:

Date Filed	Period Covered	Requested Fees	Requested Expenses	Fees Paid	Expenses Paid
4/23/08	March 16, 2008 thru March 30, 2008	\$33,108.00	\$253.81		

8. During this Second Interim Period, Phoenix has been faithfully performing its duties under 11 U.S.C. § 327.

9. The Phoenix professionals who have rendered services in these cases for which Phoenix seeks compensation are reflected on the attached Exhibit "A", which provides the name of the professionals that have rendered services in these cases, their hourly rates and amount of time spent by each professional in these cases.

10. In accordance with the Compensation Procedures Order, and as set forth in Local Rule 2016-1 and the Court's General Order Adopting Guidelines Governing Procedures for Payment of Interim Compensation and Reimbursement of Expenses to Professionals, a detailed chronological itemization of the services rendered by each professional during the Second Interim Period, calculated by tenths of an hour, is attached hereto as Exhibit "B".

11. During the Second Interim Period, Phoenix provided services to the Debtors in the total amount of \$101,425.00.

12. Attached hereto as Exhibit "C" is a summary of the actual and necessary expenses incurred. During this Second Interim Period, Phoenix incurred actual and necessary expenses in the total amount of \$954.20.

13. Pursuant to the Compensation Procedures Order, Phoenix seeks approval of 80% of the total compensation equal to \$81,140.00 ($\$101,425.00 \times 80\%$) and 100% reimbursement of expenses (\$954.20) expended by Phoenix under this Second Interim Fee Statement, and for authorization for the Debtors to reimburse Phoenix for same.

14. Prior to the commencement of these cases, Phoenix was paid a retainer totaling \$125,000, a portion of which was utilized by Phoenix to satisfy the fees and expenses requested in Phoenix's First Interim Statement. The amount presently held by Phoenix as a retainer is \$91,638.19.

15. The US Trustee raised an informal objection to Phoenix's request for an evergreen retainer. In light of the informal objection, and the carveout provision in the Arcus interim debtor in possession financing order, Phoenix did not press this issue at the time of its retention but rather preserved the right to do so at a later time in its retention Order.

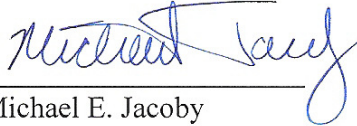
16. Phoenix hereby renews its request that the balance of its retainer in the amount of \$91,638.19 be treated as an evergreen retainer. Phoenix's general practice is to hold retainers and apply them against the final invoices for matters, and it is Phoenix's understanding and belief that this practice is customary in the marketplace. Evergreen retainers have been regularly approved in the courts in the Third Circuit. See In re Insilico, 291 B.R. 628 (Bankr. D.Del. 2003), In re CTC Comm'ns. Group, Inc., Case No. 02-12873(PJW) (Bankr. D.Del. 2003). See also In re United Artists Theatre Co., 315 F.3d 217, 229 (3d. Cir. 2003) (courts should refer to the marketplace when considering the reasonableness of retention agreements).

WHEREFORE, Phoenix respectfully requests that, for the period from March 31, 2008 through April 27, 2008, a Second interim allowance be made to Phoenix in the total amount of \$81,140.00 (\$101,425.00 x 80% total fees incurred during the Second Interim Period) for compensation and \$954.20 for reimbursement of actual, necessary costs and expenses and that

such amounts be authorized for payment from the Debtors, and that the balance of its retainer be held and applied against amounts due under Phoenix's final fee application in these cases.

Dated: May 21, 2008

PHOENIX MANAGEMENT SERVICES, INC.

By: 
Michael E. Jacoby

Submitted By,

COZEN O'CONNOR

By: /s/ Jerrold N. Poslusny, Jr.
Mark E. Felger
Jerrold N. Poslusny, Jr.

Attorneys for the Debtors

EXHIBIT "A"

NAME OF PROFESSIONAL	TITLE	HOURS	RATE	FEE
1. Mark A. Karbiner	Vice President	128.00	\$245.00	\$31,360.00
2. Michael E. Jacoby	Managing Director	157.90	\$405.00	\$63,949.50
3. Vincent J. Colistra	Managing Director	15.10	\$405.00	\$6,115.50
TOTAL:		301.00		\$101,425.00

Exhibit B

2nd Fee Application

Phoenix Management Services, Inc.

110 Chadds Ford Commons

Chadds Ford, PA 19317

Detail of Time Charges for Shapes/Arch Holdings, LLC DIP

For the Period:

3/31/08 thru 4/27/08

Entry Number	Employee	Date	Description	Hours	Hourly Rate	Professional Fees
1	MAK	3/31/2008	Begin cash flow scorecard	1.10	\$ 245.00	\$ 269.50
2	MAK	3/31/2008	Prepare cash flow scorecard	1.20	\$ 245.00	\$ 294.00
3	MAK	3/31/2008	Continue cash flow scorecard	1.30	\$ 245.00	\$ 318.50
4	MAK	3/31/2008	Review cash flow scorecard with Mr. Sorensen	0.80	\$ 245.00	\$ 196.00
5	MAK	3/31/2008	Revise cash flow scorecard	1.30	\$ 245.00	\$ 318.50
6	MAK	3/31/2008	Finalize cash flow scorecard	1.70	\$ 245.00	\$ 416.50
7	MAK	3/31/2008	Begin rolling 13-week cash flow scorecard	1.70	\$ 245.00	\$ 416.50
8	MAK	4/1/2008	Prepare rolling 13-week cash flow scorecard	1.90	\$ 245.00	\$ 465.50
			Review rolling 13-week cash flow scorecard with Mr. Sorensen			
9	MAK	4/1/2008	Sorensen	0.80	\$ 245.00	\$ 196.00
10	MAK	4/1/2008	Revise rolling 13-week cash flow scorecard	1.80	\$ 245.00	\$ 441.00
11	MAK	4/1/2008	Begin prep for meeting with JH Cohen	1.10	\$ 245.00	\$ 269.50
12	MEJ	4/1/2008	Review HIG Motion	0.30	\$ 405.00	\$ 121.50
13	MEJ	4/1/2008	Discuss model with PS	0.40	\$ 405.00	\$ 162.00
14	MEJ	4/1/2008	Review MOR Guidelines - Exhibit A	0.20	\$ 405.00	\$ 81.00
15	MEJ	4/1/2008	Cash flow review - Week 2	0.80	\$ 405.00	\$ 324.00
16	MEJ	4/1/2008	Cash flow Scorecard review	0.40	\$ 405.00	\$ 162.00
17	MEJ	4/1/2008	Conference call with MF	1.00	\$ 405.00	\$ 405.00
18	MEJ	4/1/2008	Conference call with Committee Counsel and FA	1.60	\$ 405.00	\$ 648.00
19	MEJ	4/1/2008	Follow-up from Committee Call	0.70	\$ 405.00	\$ 283.50
20	MEJ	4/1/2008	Discussions with PS	0.60	\$ 405.00	\$ 243.00
21	MEJ	4/1/2008	Conference call with Versa re: Week 2	0.50	\$ 405.00	\$ 202.50
22	MEJ	4/1/2008	emails re: Committee	0.30	\$ 405.00	\$ 121.50
			Conference call with Mgmt. and lawyers to discuss			
23	VJC	4/1/2008	upcoming hearing and Objection by HIG	0.50	\$ 405.00	\$ 202.50
24	MAK	4/2/2008	Prep for meeting with JH Cohen	0.90	\$ 245.00	\$ 220.50
			Meeting with JH Cohen to review 13-week DIP cash			
25	MAK	4/2/2008	flow	6.90	\$ 245.00	\$ 1,690.50
26	MEJ	4/2/2008	Review CIT loan agreement	1.00	\$ 405.00	\$ 405.00
27	MEJ	4/2/2008	Review PS Model	1.80	\$ 405.00	\$ 729.00
			Review Committee Due Diligence request with PS and			
28	MEJ	4/2/2008	MF	0.60	\$ 405.00	\$ 243.00
29	MEJ	4/2/2008	Discuss model with PS	0.90	\$ 405.00	\$ 364.50
30	MEJ	4/2/2008	Review CF Assumptions for JH Cohn	0.40	\$ 405.00	\$ 162.00
31	MEJ	4/2/2008	Prepare for meeting with JH Cohn	0.60	\$ 405.00	\$ 243.00
32	MEJ	4/2/2008	Meeting with JH Cohn	4.60	\$ 405.00	\$ 1,863.00
33	MEJ	4/2/2008	Conference call with MF, SG re: Committee	1.20	\$ 405.00	\$ 486.00
			Recap from JH Cohn meeting; draft emails; provide			
34	MEJ	4/2/2008	follow-up information	1.50	\$ 405.00	\$ 607.50
35	MAK	4/3/2008	Conference call with JH Cohen	1.10	\$ 245.00	\$ 269.50
36	MAK	4/3/2008	Prep revised 4-week CF budget	1.70	\$ 245.00	\$ 416.50
37	MAK	4/3/2008	Review revised 4-week CF budget with Mr. Sorensen	0.60	\$ 245.00	\$ 147.00
38	MEJ	4/3/2008	Review revised model	0.70	\$ 405.00	\$ 283.50
39	MEJ	4/3/2008	Discussion with PS re: revised model	0.20	\$ 405.00	\$ 81.00
40	MEJ	4/3/2008	Conference call with MF, SG re: HIG	0.90	\$ 405.00	\$ 364.50
41	MEJ	4/3/2008	Prepare preference analysis for UST	0.20	\$ 405.00	\$ 81.00
42	MAK	4/4/2008	Prep conversion of 13-Week CF to EBITDA	2.30	\$ 245.00	\$ 563.50
43	MEJ	4/4/2008	Prepare fee application	1.10	\$ 405.00	\$ 445.50
44	MEJ	4/4/2008	Review revised model	0.20	\$ 405.00	\$ 81.00
45	MEJ	4/4/2008	Review disbursements	0.20	\$ 405.00	\$ 81.00
46	MEJ	4/4/2008	Review borrowing base	0.10	\$ 405.00	\$ 40.50

Exhibit B

2nd Fee Application

Phoenix Management Services, Inc.

110 Chadds Ford Commons

Chadds Ford, PA 19317

Detail of Time Charges for Shapes/Arch Holdings, LLC DIP

For the Period:

3/31/08 thru 4/27/08

Entry Number	Employee	Date	Description	Hours	Hourly Rate	Professional Fees
47	MEJ	4/4/2008	Review information for JH Cohn	0.40	\$ 405.00	\$ 162.00
48	MEJ	4/4/2008	Review monrhly financials and trial balances	0.90	\$ 405.00	\$ 364.50
49	MEJ	4/4/2008	Update with PS re: Committee	0.30	\$ 405.00	\$ 121.50
50	MEJ	4/4/2008	Update with MK re: cf analysis	0.10	\$ 405.00	\$ 40.50
51	MEJ	4/4/2008	Review information for JH Cohn	0.80	\$ 405.00	\$ 324.00
52	MEJ	4/4/2008	Conference call with JH Cohn	1.30	\$ 405.00	\$ 526.50
53	MEJ	4/4/2008	Discussion with MF and PS	0.40	\$ 405.00	\$ 162.00
54	MEJ	4/4/2008	Draft presentation for Committee meeting	1.40	\$ 405.00	\$ 567.00
55	MEJ	4/4/2008	Convert DIP Model to EBITDA estimate	0.60	\$ 405.00	\$ 243.00
56	MEJ	4/4/2008	Conference call with Versa re: liquidation analysis	0.50	\$ 405.00	\$ 202.50
57	MEJ	4/4/2008	Conference call with Cozen, SG, PS re: Committee; HIG	1.40	\$ 405.00	\$ 567.00
58	MEJ	4/4/2008	Continue work on Committee presentation and exhibits	0.80	\$ 405.00	\$ 324.00
59	MEJ	4/4/2008	Discussion with PS re: revised model	0.10	\$ 405.00	\$ 40.50
60	VJC	4/4/2008	Call w/M. Felger re upcoming Hearing and questions from Unsecured Creditors	0.30	\$ 405.00	\$ 121.50
61	VJC	4/4/2008	Review Scorecards from Mark Karbiner and updated 13 week cash flow	0.50	\$ 405.00	\$ 202.50
62	MEJ	4/5/2008	Review PS Model	0.10	\$ 405.00	\$ 40.50
63	MEJ	4/5/2008	Email to PS and MF re: Emergence Financing	0.20	\$ 405.00	\$ 81.00
64	MAK	4/6/2008	Prep revised 13-week CF DIP budget	1.80	\$ 245.00	\$ 441.00
65	MAK	4/6/2008	Prep revised 13-week CF DIP budget	1.90	\$ 245.00	\$ 465.50
66	MAK	4/6/2008	Prep revised 13-week CF DIP budget	1.60	\$ 245.00	\$ 392.00
67	MEJ	4/6/2008	Compare DIP Model with original model	1.80	\$ 405.00	\$ 729.00
68	MEJ	4/6/2008	Continue comparison - analytics	0.80	\$ 405.00	\$ 324.00
69	MEJ	4/6/2008	Discussion with VC re: DIP Model	0.30	\$ 405.00	\$ 121.50
70	MEJ	4/6/2008	Discussion with MK re: Delair Material and Interco	0.90	\$ 405.00	\$ 364.50
71	MEJ	4/6/2008	Review various spreadsheets and analysis	0.40	\$ 405.00	\$ 162.00
72	MEJ	4/6/2008	Review and revise presentation for Nov Bridge Analysis	1.70	\$ 405.00	\$ 688.50
73	MEJ	4/6/2008	Discussion with MK re: Updated DIP Model	0.40	\$ 405.00	\$ 162.00
74	MAK	4/7/2008	Begin cash flow scorecard	0.90	\$ 245.00	\$ 220.50
75	MAK	4/7/2008	Prepare cash flow scorecard	1.10	\$ 245.00	\$ 269.50
76	MAK	4/7/2008	Continue cash flow scorecard	1.10	\$ 245.00	\$ 269.50
77	MAK	4/7/2008	Review cash flow scorecard with Mr. Sorensen	0.60	\$ 245.00	\$ 147.00
78	MAK	4/7/2008	Revise cash flow scorecard	1.10	\$ 245.00	\$ 269.50
79	MAK	4/7/2008	Finalize cash flow scorecard	1.10	\$ 245.00	\$ 269.50
80	MAK	4/7/2008	Prepare Delair material purchase analysis Review Delair material purchase analysis with Mr.	0.80	\$ 245.00	\$ 196.00
81	MAK	4/7/2008	Sorenson	0.70	\$ 245.00	\$ 171.50
82	MAK	4/7/2008	Continue prep Delair material purchases analysis	0.70	\$ 245.00	\$ 171.50
83	MEJ	4/7/2008	Liquidation analysis update	1.60	\$ 405.00	\$ 648.00
84	MEJ	4/7/2008	Review materials for Conference Call with HIG	0.40	\$ 405.00	\$ 162.00
85	MEJ	4/7/2008	Conf Call with HIG and GT; Follow-up w/ Debtor	1.30	\$ 405.00	\$ 526.50
86	MEJ	4/7/2008	Review Cash Flow Travel to NY; Prep for Committee Meeting; Attend	0.60	\$ 405.00	\$ 243.00
87	MEJ	4/7/2008	Committee Meeting	7.50	\$ 405.00	\$ 3,037.50
88	MEJ	4/7/2008	Discussion with Dave Pichler re: Committee meeting	0.30	\$ 405.00	\$ 121.50
89	MAK	4/8/2008	Begin prep of new weekly CF thru 9/28	3.70	\$ 245.00	\$ 906.50
90	MAK	4/8/2008	Continue prep weekly CF thru 9/28	3.10	\$ 245.00	\$ 759.50
91	MAK	4/8/2008	Review of weekly CF thru 9/28 with Mr. Sorenson	0.60	\$ 245.00	\$ 147.00

Exhibit B

2nd Fee Application

Phoenix Management Services, Inc.

110 Chadds Ford Commons

Chadds Ford, PA 19317

Detail of Time Charges for Shapes/Arch Holdings, LLC DIP

For the Period:

3/31/08 thru 4/27/08

Entry Number	Employee	Date	Description	Hours	Hourly Rate	Professional Fees
92	MAK	4/8/2008	Revise CF thru 9/28	2.30	\$ 245.00	\$ 563.50
93	MEJ	4/8/2008	Prepare and provide information to the Committee	0.60	\$ 405.00	\$ 243.00
94	MEJ	4/8/2008	Review APA from HIG	0.40	\$ 405.00	\$ 162.00
95	MEJ	4/8/2008	Discuss Pro Forma Balance Sheet with PS	0.70	\$ 405.00	\$ 283.50
96	MEJ	4/8/2008	Discuss and begin to analyze sources and uses at emergence	0.90	\$ 405.00	\$ 364.50
97	MEJ	4/8/2008	Discussion with Jules Kramer; review and analyze l/c and material cost issue at ultra	2.20	\$ 405.00	\$ 891.00
98	MEJ	4/8/2008	Review weekly scorecard	0.40	\$ 405.00	\$ 162.00
99	MEJ	4/8/2008	Prepare liquidation analysis to email to Committee	0.70	\$ 405.00	\$ 283.50
100	MEJ	4/8/2008	Review HIG APA	0.30	\$ 405.00	\$ 121.50
101	MEJ	4/8/2008	Conference call with JH Cohn re: Liquidation Analysis	0.50	\$ 405.00	\$ 202.50
102	MEJ	4/8/2008	Discussion with MF re: HIG analysis for JH Cohn	0.40	\$ 405.00	\$ 162.00
103	MEJ	4/8/2008	Continue conf call with JH Cohn re: Liq Analysis	1.30	\$ 405.00	\$ 526.50
104	MEJ	4/8/2008	Analyze HIG offer relative to Versa Plan	0.40	\$ 405.00	\$ 162.00
105	MEJ	4/8/2008	Review Ultra information re: open Pos and ship dates	0.30	\$ 405.00	\$ 121.50
106	MEJ	4/8/2008	Discussion with MF re: HIG	0.40	\$ 405.00	\$ 162.00
107	MAK	4/9/2008	Prep weekly CF thru 9/28	3.60	\$ 245.00	\$ 882.00
108	MAK	4/9/2008	Review of weekly CF thru 9/28 with Mr. Sorenson	0.80	\$ 245.00	\$ 196.00
109	MAK	4/9/2008	Revise CF thru 9/28	4.30	\$ 245.00	\$ 1,053.50
110	MEJ	4/9/2008	Review Ultra spreadsheets	0.20	\$ 405.00	\$ 81.00
111	MEJ	4/9/2008	Discussion with Howard re: HIG APA	1.30	\$ 405.00	\$ 526.50
112	MEJ	4/9/2008	Continue review of Ultra spreadsheets	0.40	\$ 405.00	\$ 162.00
113	MEJ	4/9/2008	Discussion with PS and DG re: emergence costs and contract cure amounts	0.70	\$ 405.00	\$ 283.50
114	MEJ	4/9/2008	Discussion with MK re: cash flow extension for additional 13 weeks	0.20	\$ 405.00	\$ 81.00
115	MEJ	4/9/2008	Meeting at Ultra re: material, letters of credit, timing, etc.	1.80	\$ 405.00	\$ 729.00
116	MEJ	4/9/2008	Conference call with Cozen	1.70	\$ 405.00	\$ 688.50
117	MEJ	4/9/2008	Discussion with Irv re: Liq Analysis	0.50	\$ 405.00	\$ 202.50
118	MEJ	4/9/2008	Conf Call with Howard re: Environmental and Union	2.20	\$ 405.00	\$ 891.00
119	MEJ	4/9/2008	PS re: Workers Comp	0.40	\$ 405.00	\$ 162.00
120	MEJ	4/9/2008	Begin work on 6/30 Balance Sheet	2.10	\$ 405.00	\$ 850.50
121	MEJ	4/9/2008	Discussion with MF re: HIG	0.60	\$ 405.00	\$ 243.00
122	MAK	4/10/2008	Prep weekly CF thru 9/28	2.30	\$ 245.00	\$ 563.50
123	MAK	4/10/2008	Review of weekly CF thru 9/28 with Mr. Sorenson	4.10	\$ 245.00	\$ 1,004.50
124	MAK	4/10/2008	Revise CF thru 9/28	3.70	\$ 245.00	\$ 906.50
125	MAK	4/10/2008	Continue prep CF thru 9/28	1.10	\$ 245.00	\$ 269.50
126	MEJ	4/10/2008	Update with VC re: HIG, Liq Analysis	0.40	\$ 405.00	\$ 162.00
127	MEJ	4/10/2008	Review 503(b)(9) claims	0.30	\$ 405.00	\$ 121.50
128	MEJ	4/10/2008	Review/analyze re taxes	0.20	\$ 405.00	\$ 81.00
129	MEJ	4/10/2008	Continue 503(b)(9) claim review	0.10	\$ 405.00	\$ 40.50
130	MEJ	4/10/2008	Continue 6/30/08 balance sheet preparation	2.20	\$ 405.00	\$ 891.00
131	MEJ	4/10/2008	Discussion with SG re: Versa/HIG/etc	0.20	\$ 405.00	\$ 81.00
132	MEJ	4/10/2008	Sales analysis	0.40	\$ 405.00	\$ 162.00
133	MEJ	4/10/2008	Discussion with PS re: HIG vs Versa	0.40	\$ 405.00	\$ 162.00
134	MEJ	4/10/2008	Review cf extension with MK	0.60	\$ 405.00	\$ 243.00
135	MEJ	4/10/2008	Continue work on 6/30 balance sheet	3.10	\$ 405.00	\$ 1,255.50
136	MEJ	4/10/2008	Conf Call with JH Cohn re Liq Analysis	0.60	\$ 405.00	\$ 243.00

Exhibit B

2nd Fee Application

Phoenix Management Services, Inc.

110 Chadds Ford Commons

Chadds Ford, PA 19317

Detail of Time Charges for Shapes/Arch Holdings, LLC DIP

For the Period:

3/31/08 thru 4/27/08

Entry Number	Employee	Date	Description	Hours	Hourly Rate	Professional Fees
137	MEJ	4/10/2008	Discussion with MF re: various Finalize draft of pro forma balance sheet - send to	0.40	\$ 405.00	\$ 162.00
138	MEJ	4/10/2008	Versa	1.50	\$ 405.00	\$ 607.50
139	MEJ	4/10/2008	Finalize draft of liquidation analysis - send to Versa	1.10	\$ 405.00	\$ 445.50
140	MEJ	4/10/2008	Respond to DP email re: Pro Forma BS Phone conversation w/M. Jacoby re upcoming hearing	0.20	\$ 405.00	\$ 81.00
141	VJC	4/10/2008	and Objection by HIG and cash flows Phone conversation with Alan S. and Julianne L rCIT re	0.80	\$ 405.00	\$ 324.00
142	VJC	4/10/2008	issues with Scorecard and HIG objection	0.50	\$ 405.00	\$ 202.50
143	MAK	4/11/2008	Prep weekly CF thru 9/28	1.10	\$ 245.00	\$ 269.50
144	MAK	4/11/2008	Review of weekly CF thru 9/28 with Mr. Sorenson	0.40	\$ 245.00	\$ 98.00
145	MAK	4/11/2008	Revise CF thru 9/28	2.10	\$ 245.00	\$ 514.50
146	MAK	4/11/2008	Prep BK filing monthly projections	3.10	\$ 245.00	\$ 759.50
147	MAK	4/11/2008	Revise BK filing monthly projections	1.70	\$ 245.00	\$ 416.50
148	MEJ	4/11/2008	Update narrative for Liq Analysis	0.40	\$ 405.00	\$ 162.00
149	MEJ	4/11/2008	Review AW A/R	0.30	\$ 405.00	\$ 121.50
150	MEJ	4/11/2008	Analyze inventory on pro forma balance sheet	0.30	\$ 405.00	\$ 121.50
151	MEJ	4/11/2008	Update liquidation analysis for final 6/29 estimates Multiple discussions with Versa re: Pro Forma BS and	1.20	\$ 405.00	\$ 486.00
152	MEJ	4/11/2008	Liq Analysis Conf Call with Cozen re: HIG due diligence list and	0.80	\$ 405.00	\$ 324.00
153	MEJ	4/11/2008	general status of Supplemental Plan filings Additional updates to pf bs and liq analysis during the	0.80	\$ 405.00	\$ 324.00
154	MEJ	4/11/2008	course of the day Discussion with Howard re: HIG and historical sales	2.10	\$ 405.00	\$ 850.50
155	MEJ	4/11/2008	process Review spreadsheets for UST filing; discuss same with	0.30	\$ 405.00	\$ 121.50
156	MEJ	4/11/2008	MK	1.10	\$ 405.00	\$ 445.50
157	MEJ	4/11/2008	Conference call with CIT and Bank Group	0.70	\$ 405.00	\$ 283.50
158	MEJ	4/11/2008	Discussions with JP re filing requirements Phone conversation w/mark K. to review cash flows and	0.20	\$ 405.00	\$ 81.00
159	VJC	4/11/2008	Mike J. re HIG Plan	0.40	\$ 405.00	\$ 162.00
160	MEJ	4/13/2008	Review HIG Plan and Term Loan Documents	2.20	\$ 405.00	\$ 891.00
161	MAK	4/14/2008	Begin cash flow scorecard	1.10	\$ 245.00	\$ 269.50
162	MAK	4/14/2008	Prepare cash flow scorecard	0.50	\$ 245.00	\$ 122.50
163	MAK	4/14/2008	Continue cash flow scorecard	0.90	\$ 245.00	\$ 220.50
164	MAK	4/14/2008	Review cash flow scorecard with Mr. Sorensen	0.50	\$ 245.00	\$ 122.50
165	MAK	4/14/2008	Revise cash flow scorecard	0.80	\$ 245.00	\$ 196.00
166	MAK	4/14/2008	Finalize cash flow scorecard	0.80	\$ 245.00	\$ 196.00
167	MAK	4/14/2008	Begin cash flow thru 9/28/08	2.10	\$ 245.00	\$ 514.50
168	MAK	4/14/2008	Continue cash flow thru 9/28/08	1.70	\$ 245.00	\$ 416.50
169	MEJ	4/14/2008	Discuss HIG Plan with JH Cohn	0.30	\$ 405.00	\$ 121.50
170	MEJ	4/14/2008	Update with PS	0.10	\$ 405.00	\$ 40.50
171	MEJ	4/14/2008	Discuss Contract Cure with DG	0.20	\$ 405.00	\$ 81.00
172	MEJ	4/14/2008	Review Arcus Term Loan	0.30	\$ 405.00	\$ 121.50
173	MEJ	4/14/2008	Discuss Sun Capital and Liq Analysis with MF	0.70	\$ 405.00	\$ 283.50
174	MEJ	4/14/2008	Finalize Liq Analysis for Plan Supplement	0.40	\$ 405.00	\$ 162.00
175	MEJ	4/14/2008	Review Plan Supplement	0.80	\$ 405.00	\$ 324.00
176	MEJ	4/14/2008	Discussion with Howard	0.90	\$ 405.00	\$ 364.50
177	MEJ	4/14/2008	Discussion with Paul	0.50	\$ 405.00	\$ 202.50
178	MEJ	4/14/2008	Conference call with Cozen et al re: HIG	0.40	\$ 405.00	\$ 162.00
179	MEJ	4/14/2008	Review Schedules and SOFAS - 341 Meeting Prep	1.10	\$ 405.00	\$ 445.50

Exhibit B

2nd Fee Application

Phoenix Management Services, Inc.

110 Chadds Ford Commons

Chadds Ford, PA 19317

Detail of Time Charges for Shapes/Arch Holdings, LLC DIP

For the Period:

3/31/08 thru 4/27/08

Entry Number	Employee	Date	Description	Hours	Hourly Rate	Professional Fees
180	MEJ	4/14/2008	Prepare items for Committee	0.90	\$ 405.00	\$ 364.50
181	MEJ	4/14/2008	Discussion with MF re: Committee	0.60	\$ 405.00	\$ 243.00
182	MEJ	4/14/2008	More preparation for Committee Request Phone conversation w/Felger and Mike J. re anticipated meeting w/Committee and Versa. Review material from	0.50	\$ 405.00	\$ 202.50
183	VJC	4/14/2008	Committee.	0.30	\$ 405.00	\$ 121.50
184	MAK	4/15/2008	Prepare cash flow thru 9/28/08	0.80	\$ 245.00	\$ 196.00
185	MAK	4/15/2008	Prepare rolling 13-week cash flow	1.80	\$ 245.00	\$ 441.00
186	MAK	4/15/2008	Continue Prep cash flow thru 9/28/08	2.90	\$ 245.00	\$ 710.50
187	MAK	4/15/2008	Continue prep rolling 13-week cash flow	1.70	\$ 245.00	\$ 416.50
188	MAK	4/15/2008	Begin cash reconciliation for Weeks #1 - Week#4	1.40	\$ 245.00	\$ 343.00
189	MEJ	4/15/2008	Review Objections to Disclosure Statement	0.60	\$ 405.00	\$ 243.00
190	MEJ	4/15/2008	Update Pro Forma Balance Sheet	0.40	\$ 405.00	\$ 162.00
191	MEJ	4/15/2008	Discussion with MF	0.30	\$ 405.00	\$ 121.50
192	MEJ	4/15/2008	Discussion with Irv	0.30	\$ 405.00	\$ 121.50
193	MEJ	4/15/2008	Review model provided to Lazard	0.20	\$ 405.00	\$ 81.00
194	MEJ	4/15/2008	Continue review of objections Prep for Meeting with Versa and Committee; Review	0.50	\$ 405.00	\$ 202.50
195	MEJ	4/15/2008	Plan Supplement	0.80	\$ 405.00	\$ 324.00
196	MEJ	4/15/2008	Review Week 4 CF Scorecard	0.70	\$ 405.00	\$ 283.50
197	MEJ	4/15/2008	Discussion with DP Pre-meeting, Meeting and Post-Meeting at Cozen's	0.20	\$ 405.00	\$ 81.00
198	MEJ	4/15/2008	office with Versa and Committee Meeting at cozen's office w/Committee and Versa and	5.40	\$ 405.00	\$ 2,187.00
199	VJC	4/15/2008	lawyers.	5.50	\$ 405.00	\$ 2,227.50
200	MAK	4/16/2008	Prep cash reconciliation for Weeks #1 - Week#4	2.10	\$ 245.00	\$ 514.50
201	MAK	4/16/2008	Prepare cash flow thru 9/28/08	1.30	\$ 245.00	\$ 318.50
202	MAK	4/16/2008	Prepare rolling 13-week cash flow	1.70	\$ 245.00	\$ 416.50
203	MAK	4/16/2008	Prep cash reconciliation for Weeks #1 - Week#4	1.20	\$ 245.00	\$ 294.00
204	MAK	4/16/2008	Review weekly CF thru 9/28 with Mr. Sorenson	0.70	\$ 245.00	\$ 171.50
205	MAK	4/16/2008	Review proforma balance sheet and liquidation analysis	1.80	\$ 245.00	\$ 441.00
206	MEJ	4/16/2008	Discussion with PS	0.30	\$ 405.00	\$ 121.50
207	MEJ	4/16/2008	Review and Update 503(b)(9) claims	0.40	\$ 405.00	\$ 162.00
208	MEJ	4/16/2008	Review availability Discussion with Howard re: Balance Sheet, HIG,	0.20	\$ 405.00	\$ 81.00
209	MEJ	4/16/2008	503(b)(9) Review and prepare spreadsheets for executory	0.50	\$ 405.00	\$ 202.50
210	MEJ	4/16/2008	contract cure amounts	0.40	\$ 405.00	\$ 162.00
211	MEJ	4/16/2008	Review BR draft of updated DS and Plan	1.20	\$ 405.00	\$ 486.00
212	MEJ	4/16/2008	Review Committee Objections	1.30	\$ 405.00	\$ 526.50
213	MEJ	4/16/2008	Discussion with MF	0.20	\$ 405.00	\$ 81.00
214	MEJ	4/16/2008	Review CF Scorecard and Update	1.30	\$ 405.00	\$ 526.50
215	MEJ	4/16/2008	Review Ultra contract file	0.10	\$ 405.00	\$ 40.50
216	MEJ	4/16/2008	Discussion with Howard	0.40	\$ 405.00	\$ 162.00
217	MEJ	4/16/2008	Discussion with DG re: contracts	0.20	\$ 405.00	\$ 81.00
218	MEJ	4/16/2008	Discussion with SG	0.40	\$ 405.00	\$ 162.00
219	MEJ	4/16/2008	Review additional objections	0.60	\$ 405.00	\$ 243.00
220	MEJ	4/16/2008	Conference call with Cozen et al re: tomorrow hearing Phone conversation w/mark K. to review cash flows and	0.50	\$ 405.00	\$ 202.50
221	VJC	4/16/2008	Mike J. re HIG Plan	0.30	\$ 405.00	\$ 121.50

Exhibit B

2nd Fee Application

Phoenix Management Services, Inc.

110 Chadds Ford Commons

Chadds Ford, PA 19317

Detail of Time Charges for Shapes/Arch Holdings, LLC DIP

For the Period:

3/31/08 thru 4/27/08

Entry Number	Employee	Date	Description	Hours	Hourly Rate	Professional Fees
222	MAK	4/17/2008	Prep cash reconciliation for Weeks #1 - Week#4	1.80	\$ 245.00	\$ 441.00
223	MAK	4/17/2008	Revise CF thru 9/28	1.70	\$ 245.00	\$ 416.50
224	MAK	4/17/2008	Prep cash reconciliation for Weeks #1 - Week#4	2.30	\$ 245.00	\$ 563.50
225	MAK	4/17/2008	Prepare rolling 13-week cash flow	0.70	\$ 245.00	\$ 171.50
226	MAK	4/17/2008	Prep cash reconciliation for Weeks #1 - Week#4	1.70	\$ 245.00	\$ 416.50
227	MAK	4/17/2008	Revise CF thru 9/28	1.90	\$ 245.00	\$ 465.50
228	MAK	4/17/2008	Prepare rolling 13-week cash flow	0.70	\$ 245.00	\$ 171.50
229	MEJ	4/17/2008	Review cf rollforward	0.80	\$ 405.00	\$ 324.00
230	MEJ	4/17/2008	Review BR objection to Committee	0.70	\$ 405.00	\$ 283.50
231	MEJ	4/17/2008	Review Committee Subpoena	0.20	\$ 405.00	\$ 81.00
232	MEJ	4/17/2008	Post Hearing Conf Call with Cozen	1.80	\$ 405.00	\$ 729.00
233	MEJ	4/17/2008	Review Delair cf	0.20	\$ 405.00	\$ 81.00
234	MEJ	4/17/2008	Discussion with JH Cohn re: new budget Conference call w/Felger, management and M. Jacoby to review and discuss what the Committee requested	0.40	\$ 405.00	\$ 162.00
235	VJC	4/17/2008	and HIG's doc. Request	1.20	\$ 405.00	\$ 486.00
236	MEJ	4/18/2008	Discussion with MF re new budget	0.50	\$ 405.00	\$ 202.50
237	MEJ	4/18/2008	Update with PS	0.40	\$ 405.00	\$ 162.00
238	MEJ	4/18/2008	Review Delair results	0.20	\$ 405.00	\$ 81.00
239	MEJ	4/18/2008	Conversation with Howard re; new budget	0.30	\$ 405.00	\$ 121.50
240	MEJ	4/18/2008	Review Week 4 CF Scorecard	0.30	\$ 405.00	\$ 121.50
241	MEJ	4/18/2008	Discussion with Irv re: float and week #4	0.40	\$ 405.00	\$ 162.00
242	MEJ	4/18/2008	Review scorecard and rollforward	0.70	\$ 405.00	\$ 283.50
243	MEJ	4/18/2008	Discussion with Howard re: his email	0.30	\$ 405.00	\$ 121.50
244	MEJ	4/18/2008	Preparation of due diligence items for HIG	1.30	\$ 405.00	\$ 526.50
245	MEJ	4/18/2008	Review 13 week rollforward with PS	1.00	\$ 405.00	\$ 405.00
246	MEJ	4/18/2008	Update 13 week rollforward	0.50	\$ 405.00	\$ 202.50
247	MEJ	4/18/2008	Discussion with Howard re: DIP loan rollforward	0.50	\$ 405.00	\$ 202.50
248	MEJ	4/18/2008	Discussion with Felger re: Committee, Versa, etc.	0.40	\$ 405.00	\$ 162.00
249	MEJ	4/18/2008	Discussion with PS	0.20	\$ 405.00	\$ 81.00
250	MEJ	4/18/2008	Begin reconciliation of revolver rollforward in DIP model	0.60	\$ 405.00	\$ 243.00
251	MEJ	4/19/2008	Finalize new budget for HIG Finalize reconciliation of revolver rollforward for JH	0.40	\$ 405.00	\$ 162.00
252	MEJ	4/19/2008	Cohn	1.20	\$ 405.00	\$ 486.00
253	MEJ	4/20/2008	Various emails with Felger E-mails w/Felger re Deposition and info for Committee.	0.10	\$ 405.00	\$ 40.50
254	VJC	4/20/2008	Prepare and send info to Felger re Committee request.	1.50	\$ 405.00	\$ 607.50
255	MAK	4/21/2008	Begin cash flow scorecard	1.00	\$ 245.00	\$ 245.00
256	MAK	4/21/2008	Prepare cash flow scorecard	0.90	\$ 245.00	\$ 220.50
257	MAK	4/21/2008	Continue cash flow scorecard	1.20	\$ 245.00	\$ 294.00
258	MEJ	4/21/2008	Review transcript	0.80	\$ 405.00	\$ 324.00
259	MEJ	4/21/2008	Discussion with HK	0.30	\$ 405.00	\$ 121.50
260	MEJ	4/21/2008	Revise CF and provide to MF	0.20	\$ 405.00	\$ 81.00
261	MEJ	4/21/2008	Update with MF	0.20	\$ 405.00	\$ 81.00
262	MEJ	4/21/2008	Emails with HK	0.10	\$ 405.00	\$ 40.50
263	MEJ	4/21/2008	Discussion with MF re: DS, Liq analysis, HIG	0.60	\$ 405.00	\$ 243.00
264	MEJ	4/21/2008	Follow-up for JH Cohn	0.40	\$ 405.00	\$ 162.00
265	MEJ	4/21/2008	Intercompany update	0.30	\$ 405.00	\$ 121.50
266	VJC	4/21/2008	Prepare information for Committee	1.20	\$ 405.00	\$ 486.00
267	MAK	4/22/2008	Revise cash flow scorecard	0.80	\$ 245.00	\$ 196.00

Exhibit B

2nd Fee Application

Phoenix Management Services, Inc.

110 Chadds Ford Commons

Chadds Ford, PA 19317

Detail of Time Charges for Shapes/Arch Holdings, LLC DIP

For the Period:

3/31/08 thru 4/27/08

Entry Number	Employee	Date	Description	Hours	Hourly Rate	Professional Fees
268	MAK	4/22/2008	Continue cash flow scorecard	0.90	\$ 245.00	\$ 220.50
269	MAK	4/22/2008	Finalize cash flow scorecard	1.10	\$ 245.00	\$ 269.50
270	MEJ	4/22/2008	Conference call with Cozen	1.50	\$ 405.00	\$ 607.50
271	MEJ	4/22/2008	Review week #5 cf	0.40	\$ 405.00	\$ 162.00
272	MEJ	4/22/2008	Respond to DS items	0.20	\$ 405.00	\$ 81.00
273	MEJ	4/22/2008	Review Committee email	0.30	\$ 405.00	\$ 121.50
274	MAK	4/23/2008	Prepare rolling 13-week cash flow	1.90	\$ 245.00	\$ 465.50
275	MAK	4/23/2008	Continue rolling 13-week cash flow	1.30	\$ 245.00	\$ 318.50
276	MAK	4/23/2008	Prepare rolling 13-week cash flow	0.80	\$ 245.00	\$ 196.00
277	MAK	4/23/2008	Continue rolling 13-week cash flow	1.30	\$ 245.00	\$ 318.50
278	MAK	4/23/2008	Finalize rolling 13-week cash flow	0.60	\$ 245.00	\$ 147.00
279	MEJ	4/23/2008	Review JH Cohn questions re: CF Rollforward	2.00	\$ 405.00	\$ 810.00
280	MEJ	4/23/2008	Update with PS	0.30	\$ 405.00	\$ 121.50
281	MEJ	4/23/2008	Conf Call with Howard	1.50	\$ 405.00	\$ 607.50
282	MEJ	4/23/2008	emails re: HIG follow-up	0.40	\$ 405.00	\$ 162.00
283	MEJ	4/23/2008	Discussion with Howard re: Versa expense reimb	0.40	\$ 405.00	\$ 162.00
284	MEJ	4/23/2008	DG re: union update	0.30	\$ 405.00	\$ 121.50
285	MEJ	4/23/2008	Review week #5 scorecard	1.30	\$ 405.00	\$ 526.50
286	MEJ	4/23/2008	Info for JH Cohn	0.30	\$ 405.00	\$ 121.50
287	MEJ	4/23/2008	Conference call with Cozen	1.00	\$ 405.00	\$ 405.00
288	MEJ	4/23/2008	Begin review of DS	0.70	\$ 405.00	\$ 283.50
289	MEJ	4/24/2008	Continue review of DS, Plan and Bid Procedures	1.10	\$ 405.00	\$ 445.50
290	MEJ	4/24/2008	Review motions and objections	0.40	\$ 405.00	\$ 162.00
291	MEJ	4/24/2008	Conference call with Cozen re: DS and Plan	1.50	\$ 405.00	\$ 607.50
292	MEJ	4/24/2008	Review Jan/Feb Financials for DS	0.30	\$ 405.00	\$ 121.50
293	MEJ	4/24/2008	Prepare/provide numbers for DS	0.90	\$ 405.00	\$ 364.50
294	MEJ	4/24/2008	Discussions/emails with Joel re: DS	0.10	\$ 405.00	\$ 40.50
295	MEJ	4/24/2008	Review disbursements	0.40	\$ 405.00	\$ 162.00
296	MEJ	4/24/2008	Discussion with Irv re: week #5	0.40	\$ 405.00	\$ 162.00
297	MEJ	4/24/2008	Various infor requests for HIG/Committee	0.40	\$ 405.00	\$ 162.00
298	MEJ	4/24/2008	Discussion with MF	0.30	\$ 405.00	\$ 121.50
299	MEJ	4/24/2008	DS review and updates	0.80	\$ 405.00	\$ 324.00
300	MEJ	4/25/2008	Print and review filed plan, ds, etc	0.50	\$ 405.00	\$ 202.50
301	MEJ	4/25/2008	Review sun capital docs	0.20	\$ 405.00	\$ 81.00
302	MEJ	4/25/2008	Prepare jan/feb financials for JH Cohn	0.90	\$ 405.00	\$ 364.50
303	MEJ	4/25/2008	Review/analyze Centre forecast for JH Cohn	1.40	\$ 405.00	\$ 567.00
304	MEJ	4/25/2008	Discussion with Howard re: DS	0.60	\$ 405.00	\$ 243.00
305	MEJ	4/25/2008	Discussion with Howard re: Professional Fees	0.20	\$ 405.00	\$ 81.00
306	MEJ	4/25/2008	Update analysis re: professional fees	0.30	\$ 405.00	\$ 121.50
307	MEJ	4/25/2008	Update with PS	0.20	\$ 405.00	\$ 81.00
308	MEJ	4/25/2008	Review avail and cf	0.30	\$ 405.00	\$ 121.50
309	MEJ	4/27/2008	Update Pro Forma Balance Sheet for new DS items Prepare and review information for Deposition on	0.70	\$ 405.00	\$ 283.50
310	VJC	4/27/2008	Tuesday and Court Hearing on Thursday	2.10	\$ 405.00	\$ 850.50
Total - 2nd Fee Application				301.00		101,425.00

EXHIBIT “C”

SUMMARY OF DISBURSEMENTS	
DISBURSEMENTS	AMOUNT
Telephone	
Mileage (1,206 miles at \$0.505 per mile)	609.03
Air and Rail	151.00
Tolls	56.00
Parking	68.00
Meals	70.17
DISBURSEMENT TOTAL	\$954.20